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Judge: Karen A. Overstreet
Chapter: 7

5 UNITED STATES BANKRUPTCY COURT FOR
6 THE WESTERN DISTRICT OF WASHINGTON

7 In Re:

8 Robert Jacob Scott) CASE NO. 07-14317-KAO
9 Sarah Jane Scott)
Debtor,) Chapter 7

10)
11 Robert Jacob Scott) Adversary No.
12 Sarah Jane Scott)
Plaintiff,) COMPLAINT TO DETERMINE
13 v.) DISCHARGEABILITY OF A
DEBT (STUDENT LOANS)

14 US Dept of Education; Key Bank;)
15 EduCap, Inc. ; Wells Fargo Education)
Financial Services; American Educational)
16 Services; First Mark; Kheslc; Loan to)
Learn/Ed America; OSI Educational)
17 Services; Sallie Mae; The Education)
Resources Institute (TERI);)
18 Defendants,)

19
20 I. PARTIES

21 1.1 Robert James Scott and Sarah Jane Scott are the debtors herein, and filed for relief
22 under Chapter 7 of the Bankruptcy Code (11 USC) on 9-13-07;
23

24 1.2 US Dept of Education; Key Bank; EduCap, Inc. ; Wells Fargo Education Financial
25 Services; American Educational Services; First Mark; Kheslc; Loan to Learn/Ed America; OSI
26

27 Complaint

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1 Educational Services; Sallie Mae; The Education Resources Institute (TERI) are the defendants
2 herein; American Education Services is believed to be the service provider for some of the other
3 defendants.
4

5 1.3 Jurisdiction in these proceedings is vested in the above entitled court pursuant to 28
6 U.S.C. Sections 157, 1334, and 11 U.S.C. 523(c)(1).

7 1.4 Venue is in the United States Bankruptcy Court Western District of Washington as
8 Seattle Washington pursuant to 28 U.S.C. 1409(a).

9 1.5 This proceeding is a core proceeding pursuant to 28 U.S.C. 157(b)(2)(I).

10 II. FACTS

11
12 2.1. The debtor incurred obligations presently owing to the defendants totaling
13 approximately as follows: US Dept of Education: 2 loans of \$19,832.12 and \$55,907.25 as set
14 forth in their proof of claims on file herein ; Key Bank: \$29,887; EduCap, Inc.: 2 loans of
15 \$15,739.45 and \$10,348.85 as set forth in their 2 proof of claims filed in the case herein; Wells
16 Fargo Education Financial Services: \$15,222.26 as stated in their proof of claim on file herein;
17 American Educational Services: \$123,097 ; First Mark: \$14,000; Kheslc: \$2,107; Loan to
18 Learn/Ed America: \$25,838; OSI Educational Services: \$19,563; Sallie Mae: \$6,575; ; The
19 Education Resources Institute (TERI) unknown amount;
20

21 2.2 Said loan is believed to be for an educational benefit overpayment or loan made,
22 insured or guaranteed by a governmental unit, or made under any program funded in whole or in
23 part by a governmental unit, or for an obligation to repay funds received as an educational
24 benefit, scholarship or stipend, as described in 11 U.S.C. 523(a)(8). None of the loans owed to
25
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1 said defendants are HEAL loans.

2 2.3 On September 13, 2007 the debtor filed for relief under Chapter 7 of the U.S.
3 Bankruptcy Code. Most of the Defendant's claims were as creditors in Schedule F filed herein
4 and the mailing matrix as filed or as amended and thus all received notice of the bankruptcy
5 filing.
6

7 2.4 That the debtors are married with two children: a three year old and another under one
8 year old;
9

10 2.5 That to not discharge these student loans would impose an undue hardship on this
11 defendant.
12

12 III. THEORIES OF LIABILITY, DISCHARGE

13 3.1 That the plaintiff is and shall be discharged from a debt evidenced by the loans in
14 paragraph 2.1 herein pursuant to 11 U.S.C. 523(a)(8) as in effect at the time of the petition
15 herein; Section 523(a)(8)
16

17 3.2 That upon discharge by the above captioned bankruptcy court the plaintiff is entitled
18 to that relief set forth in 11 U.S.C. 524(a).
19

20 3.3 That in the event the defendant willfully violates the provisions of 11 U.S.C. 362, the
21 plaintiff if injured, shall be entitled to a judgment against defendant for actual damages,
22 including costs and attorney's fees, and punitive damages.
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IV. PRAYER

WHEREFORE, the debtor, prays for the following relief:

1. An order determining the debt owed to the defendants herein be determined to be dischargeable and thereby discharged pursuant to 11 U.S.C. § 523(a)(8).
2. For such other and further relief as the Court may deem just.

DATED THIS 27TH DAY OF DECEMBER, 2007.

/S/ Richard D. Granvold
RICHARD D. GRANVOLD
ATTORNEY FOR PLAINTIFF
WSBA #16903